TEXAS BUSINESS REVIEW

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The University of Texas

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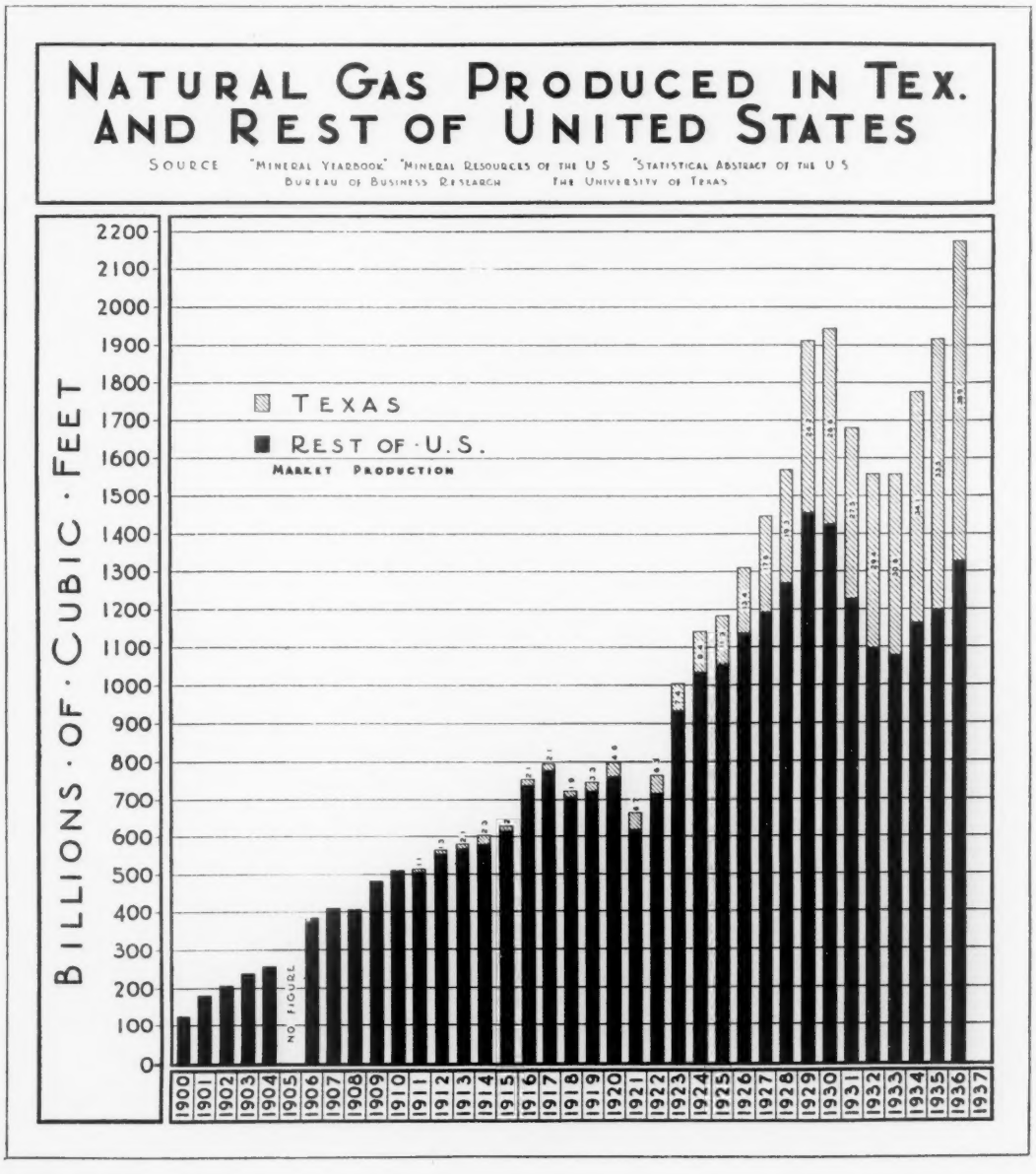

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TEXAS BUSINESS REVIEW

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Bureau of Business Research, The University of Texas, Austin, Texas

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Business Review and Prospect

A sharp drop in the Nation's industry and trade occurred during October and is continuing into the present month. The decline from September to October, according to Barron's business index prepared by Warren Persons, was 7 per cent; and a further decline of 4 per cent occurred during the first week of November. From the high point of the recovery period reached in February the index has now receded about 20 per cent. All factors of the index—manufacturing and mining output, electric power consumption, freight car loadings, and building—indicated a sharp contraction for the month.

Although the decline in business has already gone farther than even the more pessimistic analysts thought likely two months ago (and the end of the recession has not yet been reached), favorable developments of a fundamental character could grow out of the present acute situation. The fact that from now on the country could move swiftly toward better or toward worse economic conditions offers a unique challenge to political and industrial leandership. There are increasing indications that both types of leaders are becoming aware of this challenge and the responsibilities involved.

Texas Business

The trend of Texas industry and trade has finally turned downward, but the decline has not yet become pronounced. After adjustment for seasonal variation, the composite index for October is 100.3, compared with 104.4 (revised) for September, a decline of more than 4 per cent. The index numbers are percentages of the average month in 1930, which is used as the base. All of the components of the index, except pay rolls which remained the same, showed a decline. The index of employment declined from 96.6 to 95.9; miscellaneous freight car loadings from 84.1 to 77.0; runs of crude oil to stills from 183.9 (revised) to 180.1; department store sales from 115.3 to 106.0; and electric power consumption from 120.5 (revised) to 110.8.

Compared with October, 1936, the Texas index of industry and trade remains quite favorable in contrast to the situation which prevails in the country as a whole. The October, 1936, composite index was 91.2, or more than 8 per cent below the index of 100.3 in October this year. Each of the factors in the composite October index showed an increase over the corresponding month last year except department store sales. The index of employment increased from 88.4, October last year, to 95.9; pay rolls from 81.7 to 98.7; carloadings from 76.7 to 77.0; and electric power consumption from 101.1 to 110.8. Department store sales declined slightly from 106.1 to 106.0.

These data are shown graphically in the charts on page 4. The decline in October contrasts sharply with the strong upward trend which characterized the business charts during previous months in the current year, but it will be noted that the present level remains well above that of the corresponding period last year.

Farm Cash Income

The computed farm cash income for Texas during October, representing about 90 per cent of the actual cash income, is $71,178,000. This compares with $101,957,000 for September and $80,783,000 for October last year. Since the computed average October cash income during the base period (1928–32) was approximately $101,000,000, the October index (or the percentage of this year's October income to the average October income during the five years 1928–32) is 70.2. This compares with 88.4 for September and 79.7 for October last year. Thus the decline in farm cash income from October 1936 is about 12 per cent. Total farm cash income for the first ten months of this year, $439,724,000 is, however, still 33 per cent above the $329,016,000 which was the income for the corresponding period last year.

The table below gives the October and comparable indexes for the State and for each district. Wide deviations are to be noted. These variations can be accounted for to a large extent by the fact that the current price of cotton per pound is far below the average October price during the base period; and the further fact that yield per acre of cotton varied widely as between districts.

INDEX OF AGRICULTURAL CASH INCOME

District	October 1937	October 1936	September 1937
1–N	77.0	56.4	79.4
1–S	170.8	162.6	165.0
2	74.0	62.6	124.0
3	64.3	72.8	73.2
4	48.5	85.8	89.7
5	50.5	66.0	77.0
6	90.8	104.7	111.9
7	79.9	78.7	131.7
8	50.7	79.9	60.0
9	70.3	86.8	88.4
10	147.9	82.2	66.6
*10–A	169.5	117.8	44.5
STATE	70.2	79.7	88.4

*Included in 10.

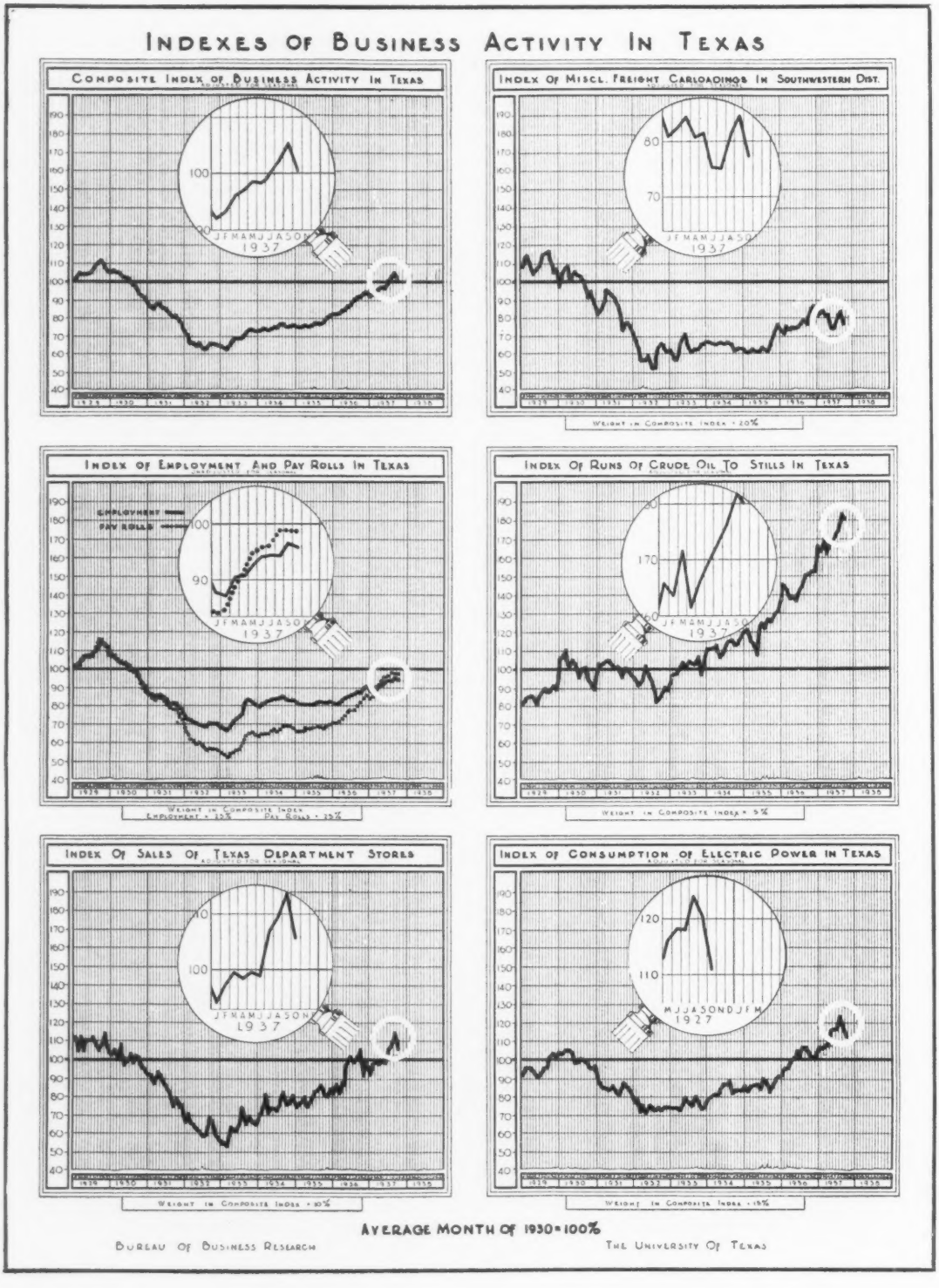
Note: For crop reporting districts, see map, page 11.

Sources of Farm Cash Income in Texas by Districts

In order that the reader may have a better understanding of the main sources of farm cash income in each crop reporting district in Texas, the enterprises from which approximately 90 per cent of the cash income is derived are listed below according to rank in each district.

(Continued on page 5)

For Other Texas Data, See Statistical Tables at the End of This Publication


INDEXES OF BUSINESS ACTIVITY IN TEXAS
COMPOSITE INDEX OF BUSINESS ACTIVITY IN TEXAS
INDEX OF MISCL. FREIGHT CARLOADINGS IN SOUTHWESTERN DIST.
WEIGHT IN COMPOSITE INDEX = 20%
INDEX OF EMPLOYMENT AND PAY ROLLS IN TEXAS
EMPLOYMENT
PAY ROLLS
WEIGHT IN COMPOSITE INDEX
EMPLOYMENT = 25% PAY ROLLS = 25%
INDEX OF RUNS OF CRUDE OIL TO STILLS IN TEXAS
WEIGHT IN COMPOSITE INDEX = 5%
INDEX OF SALES OF TEXAS DEPARTMENT STORES
WEIGHT IN COMPOSITE INDEX = 10%
INDEX OF CONSUMPTION OF ELECTRIC POWER IN TEXAS
WEIGHT IN COMPOSITE INDEX = 15%
AVERAGE MONTH OF 1930=100%
BUREAU OF BUSINESS RESEARCH
THE UNIVERSITY OF TEXAS

(Continued from page 3)

PERCENTAGE OF FARM CASH INCOME IN TEXAS BY DISTRICTS

(Computed from the 1929 decennial census)

Products	Per Cent of Total	Cumulative* Per Cent
District 1-N North High Plains		
Wheat	49.33	
Cattle	19.43	68.76
Cotton Lint	6.72	75.48
Hogs	6.46	81.94
Milk and Milk Products	4.97	86.91
Grain Sorphum	3.43	90.34
District 1-S South High Plains		
Cotton Lint	56.05	
Cattle	10.08	66.13
Cotton Seed	8.13	74.26
Hogs	6.57	80.83
Milk and Milk Products	4.57	85.40
Grain Sorphum	4.00	89.40
District 2 Permian Plains		
Cotton Lint	60.36	
Cattle	11.20	71.56
Cotton Seed	9.00	80.56
Milk and Milk Products	4.00	84.56
Calves	3.37	87.93
Hogs	2.14	90.07
District 3 Dissected Uplands of North Central Texas		
Cotton Lint	27.81	
Cattle	21.21	49.02
Milk and Milk Products	9.34	58.36
Calves	6.13	64.49
Hogs	4.26	68.75
Turkeys	4.03	72.78
Eggs	3.94	76.72
Peanuts	3.15	79.87
Cotton Seed	2.42	82.29
Truck Crops	2.26	84.55
Wheat	2.18	86.73
Oats	1.76	88.49
Small Fruits	1.71	90.20
District 4 Northern Texas Prairies		
Cotton Lint	68.45	
Cotton Seed	7.75	76.20
Milk and Milk Products	5.50	81.70
Hogs	2.51	84.21
Eggs	2.24	86.45
Cattle	1.89	88.34
Oats	1.63	89.97
District 5 Eastern Texas Timbered Plains		
Cotton Lint	66.89	
Cotton Seed	6.88	73.77
Sweet Potatoes	3.93	77.70
Truck Crops	3.75	81.45
Milk and Milk Products	2.94	84.39
Forest Products	2.54	86.93
Cattle	2.01	88.94
Small Fruits	1.75	90.69
District 6 Trans-Pecos District		
Cattle	38.95	
Cotton Lint	23.47	62.42
Calves	11.54	73.96
Wool	6.71	80.67
Sheep and Lambs	4.95	85.62
Milk and Milk Products	4.50	90.12
District 7 Edwards Plateau		
Wool	19.30	
Cotton Lint	18.18	37.48
Cattle	17.44	54.92
Sheep and Lambs	12.16	67.08
Mohair	11.30	78.38
Calves	3.28	81.66
Milk and Milk Products	2.95	84.61
Hogs	2.44	87.05
Cotton Seed	2.02	89.07
District 8 Southern Texas Prairies		
Cotton Lint	57.94	
Milk and Milk Products	7.63	65.57
Cotton Seed	6.18	71.75
Cattle	5.25	77.00
Eggs	4.83	81.83
Turkeys	2.83	84.66
Calves	2.39	87.05
Truck Crops	2.15	89.20
District 9 Coastal Prairies		
Cotton Lint	24.91	
Rice	23.87	48.78
Milk and Milk Products	15.18	63.96
Calves	7.35	71.31
Cattle	6.05	77.36
Eggs	4.30	81.66
Sweet Potatoes	2.91	84.57
Cotton Seed	2.89	87.46
Truck Crops	2.56	90.02
District 10 South Texas Plains		
Cotton Lint	40.07	
Truck Crops	22.63	62.70
Cattle	12.00	74.70
Grapefruit	6.30	81.00
Milk and Milk Products	4.31	85.31
Cotton Seed	3.10	88.41
Calves	2.36	90.77

*Cumulative per cent means the sum of all the preceding items.

SOME POINTS REFLECTED BY THE ITEMS CONTRIBUTING TO THE FARM CASH INCOME OF TEXAS BY DISTRICTS*

Preliminary Observations

Even a hasty examination of the major items contributing to farm cash income reveals a number of pronounced features:

1. Wheat is the dominant item in but one district, 1–N, the northern High Plains;

2. Wool is the dominant item in District 7, the Edwards Plateau; but the degree of dominance of wool in the Edwards Plateau is nothing like as strong as is the case of wheat in the northern High Plains;

3. Cattle constitute the leading item in District 6, the Trans-Pecos;

4. In all the other districts cotton lint is the dominant item; in two districts—4, the northern Texas Prairies, and 5, the East Texas Timbered Lands—cotton lint and cotton seed together contribute 75 per cent of the total cash income.

5. For most of the various districts three items(the items varying in each of the different districts) contribute as much as 70 per cent or more of the total farm cash income. The exceptions are districts 3, the Dissected Uplands of North-central Texas; 7, the Edwards Plateau; and 9, the Coastal Prairies—all of these being districts which are characterized by a wide diversity of farming and livestock enterprises.

The Districts

It is obvious that the items contributing to farm cash income vary significantly in these various districts; only two of them—1–S, the southern High Plains, and 2, the Permian Plains—have the same order for their three leading items—in these cases the items are cotton lint, cattle, and cotton seed.

No attempt is made here to analyze the relations of the various items to the physical environment of the various districts; but the different items and their respective ranks in the various districts are not the results of mere chance. They are the results of definitely planned enterprises designed to take advantage of the physical conditions presented by the various districts. Obviously, too, changes and readjustments are designed to take advantage more fully of the physical environment in the light of prices or of other economic factors that may effect farm income.

Certainly from the longer point of view, climate, soils, and other natural resources are the determining factors which have to do with the volume of farm cash products in the various portions of the State.

Wheat stands out prominently in the northern High Plains; and wheat and cattle together in this district account for nearly 70 per cent of the farm cash income. The arable lands of the northern High Plains are, from

*The districts herein used are those used by the Division of Crop and Livestock Estimates, United States Department of Agriculture. The order in which the various districts are presented is for convenience only and in itself has nothing to do with the relative importance of the districts.

the standpoint of climate, soils, and topography, admirably suited to the growing of hard winter wheat; this section of Texas, it may be noted, is the southwestern extension of the American hard Winter Wheat Region which radiates from the central part of Kansas.

In the southern High Plains and in the Permian Plains—districts 1-S and 2—Cotton and cattle are the prominent items. In these regions the climate, soils, and topography of the arable lands are admirably suited to the growing of cotton. It may be surprising to note that District 2, the Permian Plains, is one of the three leading cotton producing districts of the State. In all three of these districts cattle are very important because they are able to utilize effectively the native grasses on lands the topography of which renders them unsuited to crop production. Because grain sorghums grow well in these districts and, too, because grain sorghums provide excellent supplemental feedstuffs for cattle, these crops are also very important items. But, as is the case of corn in the American Corn Belt, the larger share of the grain sorghums is marketed in the form of livestock or of livestock products.

District 6, the Trans-Pecos, is a combination of diversified range activities and of intensive irrigation agriculture, the latter comprising cotton and alfalfa, together with fruits and vegetables. The diversified range activities of the Edwards Plateau, District 7, are well known; such farming as this district has is carried on in alluvial filled lowlands—these lowlands having been formed where the cap-rock, which determines the tableland conditions of most of the pleateu, has been removed.

District 3, between the northern Texas Prairies and the Permian Plains, and which may be designated as the Dissected Uplands of North-central Texas, presents a highly diversified complex of physical conditions; and this diversity is clearly expressed in the extensive list of items which contribute to the farm cash income of that district.

For the purposes of this very brief survey, the major features and the more exceptional aspects of the other districts can be summarily disposed of. In each district, where climate permits, cotton is an important crop on all arable lands, except in irrigated areas where cotton may not be able to compete successfully with higher income yielding special crops. The black lands of the various Prairie regions and the better drained alluvial lowlands soils are cotton lands *par excellence.*

Rice is an important special crop in the Coastal Prairies, District 9; and in that district livestock and livestock products combined are about equal in income yields to cotton lint and cotton seed.

In the northern Texas Prairies, District 4, cotton lint and cotton seed contribute more than 75 per cent of the total farm cash income. The northern Texas Prairies district produces between a third and a fourth of the total output of cotton lint of Texas. For the 5-year period, 1928–32, this district averaged 1,349,000 bales annually and the rest of the State average 3,231,000 bales annually. In the southern Texas Prairies a wider degree of crop and livestock diversification is an outstanding feature.

In District 10 the more concentrated features comprising several intensively irrigation farmed crops in the Lower Rio Grande Valley and in the Winter Garden area are to be differentiated from the cotton growing and range cattle production which characterize the non-irrigation activities of this district. The diversity of physical conditions in District 5, the humid East Texas Timbered Plains, is also reflected in the diversity of its agricultural enterprises. This is one of the three leading cotton producing districts of the State, and cotton lint and cotton seed are by far the most important items in the farm cash income of this district. The diversity is especially notable in that the other items include sweet potatoes, truck crops, forest products, and small fruits, besides cattle, milk and milk products.

F. A. Buechel and Elmer H. Johnson.

Shall We Destroy the Home Market for Cotton?

Cotton growers' problems are products of lack of markets rather than over-production. Since the whole cotton industry is in a weak competitive position already, would not an unwise cotton policy at this time do material damage to the whole industry and particularly to the cotton growers in the United States? Or, stated in another way, do not the facts show that irreparable damage may be done to cotton growers by attempting to exact funds out of the home market for cotton by maintaining artificially high prices for cotton or cotton goods with a processing tax or some equivalent device? No more vital economic question could be put to the South and to American agriculture.

Since 1929 the United States has been attempting to exact compensation for cotton growers out of foreign markets for American cotton by above-market-price loans and restriction of production. We were told, and many believed, that the South had a virtual monopoly on world cotton production and that the foreigner would have to buy our cotton. Soothed by this false assumption and motivated by a desire to shield our high tariff protected industries, it was not difficult to arrive at the conclusion that reduced production and government loans to raise price to give cotton growers needed compensation was both an ingenious and easy way out. "Make the foreign customer pay" may have been a popular doctrine but it proved to be a boomerang. We lost foreign markets and did not correct the maladjustments which created the cotton growers' problems.

Retribution for our mistaken analysis and false assumptions regarding foreign markets for our cotton has come with swiftness and severity. During the five years prior to the depression the United States furnished 59.8 per cent of the world's cotton for mill consumption; during the last three years the United States has furnished only 43 per cent of it. Is the world's decrease in the consumption of United States cotton from an average of 14,774,000 bales during the five years ending

1928–29 to an average of over 11,981,000 bales during the last three years due to a decline in world consumption of all kinds of cotton? That such is not the case, is illustrated by the fact that during the five years prior to the depression the mills of the world consumed an average of only 24,702,000 bales of cotton. During 1936–37 they consumed about 30,800,000 bales, and if we had furnished 59.8 per cent it would have meant 18,400,000 bales instead of about 13,000,000 bales actually consumed.

The facts which we may as well face frankly are that the loss of world consumption of American cotton has been due entirely to declining foreign consumption of American cotton, and from 1929–30 through 1936–37 the straight-line trend of foreign consumption of American cotton declined at the alarming annual rate of 260,000. During that same period foreign consumption of foreign grown cotton increased at the rate of 624,000 bales per year.

One of the explanations now being offered for this huge loss of foreign markets for America's greatest staple product, and the foundation of the economy of the South, is that foreigners would have taken the foreign market anyway. Let us again examine the facts. The United States Department of Agriculture has published complete figures on world consumption of all cotton back to 1915–16. Based on these figures the straight-line trend of world consumption of all cotton from 1915–16 through 1928–29 increased at the rate of 526,000 bales annually. The *world* trend of consumption of American cotton during that same time rose at the rate of 315,000 bales annually, whereas the upward trend of world consumption of foreign grown cotton rose at the rate of only 211,000 bales annually. In other words, the annual increase in *world* consumption of American cotton during this period was 104,000 bales greater than world consumption of foreign grown cotton.

Were we not losing foreign markets for American cotton prior to 1929? No, not if figures published by the United States Department of Agriculture are correct. Foreign consumption of all cotton from 1915–16 through 1928–29 increased at the rate of 478,000 bales annually. Now, of this annual increase of 478,000 bales of foreign consumption of all cotton, the United States furnished 270,000 bales and foreign producers only 208,000 bales. The fact is then the United States was more than holding its own in world markets for cotton down through 1928–29; but since that date foreign exports of American cotton have declined to an alarming extent, even though world annual consumption of all cotton since 1929–30 has increased at a greater rate than prior to 1929–30 as already shown.

Regardless of the cause or causes of the astonishing loss of foreign markets for American cotton, there are many facts that stand out and are acknowledged. One is that cotton growers must have compensation for present handicaps, and another is that compensation cannot now be taken out of foreign cotton markets. The real issue then is where to get the money to provide the relief.

It is being seriously proposed, in spite of recent experiences in foreign markets, to attempt to take compensation for the cotton growers out of their domestic market by means of a processing tax on the cotton bought by American mills. Inevitably the assumption behind this proposal is that the people in the United States will be willing, or can be forced, to maintain their purchases of cotton goods regardless of such consumption taxes. Is that a valid assumption? Is there not already enough evidence to prove that a processing tax on cotton is a subsidy for competing textiles and other products which will destroy the home market for cotton as surely, if not as rapidly, as control and subsidy loans aided in losing foreign markets? Foreign cotton growers took advantage of our refusal to sell cotton at prevailing prices and captured our foreign markets; while foreign customers like Germany and Italy, pressed by necessity resulting from lack of exchange to buy cotton, developed synthetic substitutes. Just as foreign cotton growers took our foreign cotton markets and have been the real beneficiaries of our policy of loans above market price and enforced restriction of production, competing textile industries, especially synthetic fibers, will take domestic markets and be the chief beneficiaries of the processing tax.

It would be a very bad mistake to assume that competing textiles and other products will not be substituted to a considerable extent for cotton goods if the price of cotton goods is artificially raised. A very large share of the great volume of purchases of cotton goods is attributable to the relatively low price of the goods, and as surely as the price is raised those purchases will decline relatively.

It is not necessary, however, to guess concerning the effect of the processing tax on cotton consumption in the United States as we have had over two years of experience with it. During 1932–33, the last year before the processing tax came into existence, the United States consumed 6,000,000 bales of cotton. During the first year of the processing tax our consumption was reduced to about 5,500,000 bales, and during the second year to 5,200,000 bales. The first year after the tax was removed, consumption rose immediately to 6,200,000 bales.

The most aggressive competitor of cotton consumption in the United States is synthetic fiber. Does it mean anything to those who would attempt to solve the problems of cotton growers by a processing tax on cotton to know that from 1932 to 1933, the year the processing tax was introduced, that rayon and staple fiber production increased in the United States nearly 80,000,000 pounds, equivalent to about 180,000 bales of cotton; and that production in the United States this year seems destined to exceed 300,000,000 pounds? Does it mean anything to say that rayon staple fiber prices have been reduced from about forty cents per pound in 1933 to twenty-five cents in 1937? Is it significant that tire manufacturers can make better tires out of rayon than cotton, or that better sails for ships can be made of rayon than of either cotton or linen, and that the change from one to the other is a matter of price?

Certainly if the cotton growers were entitled to adjusted compensation in 1933, and they were, they are in double need of it now in view of the loss of foreign markets. The big question is: Is it wise or safe to attempt to levy tribute on cotton growers' domestic market, especially with a processing tax?

The processing tax is an unsound method of taxation: (1) Because of the necessity of pyramiding costs the consumer will pay far more than can ever be collected and returned to the cotton growers; (2) the tax will fall heaviest on the poorest people because they buy the coarse heavy goods made of the poorest quality cotton; (3) it will subsidize competing products; and (4) it will not only reduce the demand for cotton, but it will be cumulative, and lack of demand is the foundation of the cotton problem. Is it possible for the solution of such a fundamental problem to come out of such iniquities?

A. B. Cox.

The Turkey Industry in Texas

A general report released by the United States Department of Agriculture in September of this year states that while turkeys are known to be considerably more numerous than in 1929, no accurate estimate of their present numbers is available. The Federal Census reported 16,794,000 turkeys raised in 1929, of which 3,783,000 were produced in Texas; North Dakota ranked second in production with a total of 1,458,000, with Minnesota and California ranking third and fourth respectively.

Although turkey raising in Texas was carried on as a side line by farmers for many years, and still is, it is also now regarded as an important source of revenue in those sections of the State particularly adapted to the commercial production of turkeys. The principal producing regions of the State include the Brady-Brownwood area and the Cuero-Yoakum area where climatic conditions are favorable to the raising of turkeys, where abundant feedstuffs and suitable range are available, and where large primary markets have been established conveniently accessible to the producing sections.

To the efforts of farm demonstrators and turkey growers associations is due the credit for much of the improvement in the quality of turkeys raised on Texas farms in recent years; and the educational work of these organizations has been an important factor in making the turkey industry more profitable to Texas farmers. Dressed turkey shows and other types of turkey exhibits are held every year at several points in the State for the purpose of demonstrating to producers the most desirable varieties and qualities of birds necessary to command the highest market prices. Annual training schools are also conducted each fall for those wishing to qualify as licensed graders, who are necessary at shipping points to insure uniform grading and maintain government standards. Both live and dressed birds are graded as prime, choice, or commercial, according to the quality of turkeys offered for sale; and these grades are used when the turkeys are sold to the consumer, so that the same grade standards are applied as a basis of quality for both producer and consumer.

The establishment of turkey-dressing plants in most of the marketing centers of the State makes it profitable for by far the greater number of turkeys to be shipped as dressed turkeys. When properly prepared and packed turkeys can be shipped at much less cost and with less danger of loss to the shipper. From 9.5 to 10 per cent of the weight of the turkey is lost in dressing, but the higher price per pound and the lower cost of transportation yields the producer greater returns than when the flock is marketed as live birds.

Reports received by the Bureau of Business Research indicated that 1,157 carloads of dressed turkeys and 64 cars of live turkeys were shipped from Texas stations to interstate points during the 1936 season from Wichita Falls, Brady, Plainview, Sherman, Brownwood, Fort Worth, San Angelo, Eastland, San Antonio, Gonzales, Cuero, and other cities in the State. These figures represent rail shipments only and do not account for the movement of turkeys by truck which are sold largely for local consumption, but for which no data are available.

The turkey marketing season is short—usually covering a period of from eight to ten weeks—beginning about the second week of November and extending through part of January. The Department of Agriculture reports that it is expected that 56 per cent of the turkey crop will be marketed during November this year, 37 per cent during December, and the remaining 7 per cent after January first.

The season this year has opened slightly earlier than usual, partly because of the earlier hatching of large numbers of turkeys and better crop and range conditions which have made it possible to prepare the birds for market in advance of the usual market opening. Government reports, based on returns from more than 7,000 producers, estimate that the turkey crop will be approximately 10 per cent less than that of 1936 for the country as a whole; however, by the same authority, the estimated number of turkeys produced in Texas is only 2 per cent below that of last year. The average weight of Texas turkeys this year is expected to be 14.7 pounds, which is two-tenths of a pound below the average estimated for the country as a whole.

The price per pound for live turkeys received by producers in the United States for the last four years averaged 14.8 cents in November, although some Texas counties averaged only 13.5 cents. The market in Texas as in other States opened at 15 cents per pound this season, dropped to 14 cents after the first few days, and later to 12 or 13 cents in some markets. The improvement in grade of Texas turkeys is illustrated by the fact that in 1934 only 42 per cent of the total produc-

tion marketed were of first quality, 53 per cent graded first class in 1935, and 67 per cent in 1936. The work of improving the quality of turkeys is continuing, and it is predicted that the percentage of prime grade turkeys shipped from Texas this year will be higher than for any year in the past.

In order to stimulate the sale of turkeys beyond the holiday season, some producers plan to raise smaller than average size turkeys, which it is hoped will increase the demand for turkeys as a year-around food. It is reported that experimental work is being done on the canning of whole turkeys, using the method which has been successful in canning whole cooked chickens; this may be a means of increasing the consumption of turkeys.

The tendency toward the revival of the turkey industry in the eastern and southern states, together with the better feed situation existing this year, has increased the distribution of turkey eggs from Texas, and many farms have been able to dispose of their surplus supply over a wide area including Colorado, Iowa, Minnesota, Oklahoma, New York, New Jersey, and other eastern states. Turkey eggs sell for 13 or 14 cents per egg, and one marketing association reports that 239,799 eggs sold from Texas to northern hatcheries this year yielded $33,747.50.

Turkeys are raised to some extent in practically all parts of the United States, being at one time most numerous in the New England States. The wild varieties from which our domestic stock has descended include the eastern wild turkey, which ranged over the eastern part of the United States from Maine to Florida; the Florida wild turkey, which ranged over southern Florida; the Rio Grande wild turkey, which ranged over southern Texas and northwestern Mexico; and the Mexican wild turkey, which ranged over Arizona, western New Mexico, southern Colorado, and Mexico. It is generally supposed that these wild varieties were of common origin and that most of our domesticated varieties, especially the Bronze, have descended from the Mexican wild turkey. The American Poultry Association recognizes as standard varieties of turkeys the Bronze, White Holland, Bourbon Red, Black, Narragansett, and Slate; of these, the Bronze usually attains the largest size.

The value of turkeys in Texas in 1929 was $8,645,685, or about one-third that of chickens. The turkey raising industry in this State has profited by such favorable publicity as the "Turkey Trot," which attracts thousands of visitors to Cuero every two years, special exhibits of live and dressed turkeys, and other forms of advertising. Of the 676,114 farms reporting production of turkeys in 1935 in the United States, 114,004 were in Texas, and although Texas produces more turkeys than any other state, it is probable that a still greater percentage of the nation's supply of turkeys will come from Texas in the future.

CLARA H. LEWIS.

Financial

Among the more significant financial developments of the past months have been a continuation of weakness in security prices, a substantial withdrawal of foreign deposit balances from New York, and a slight contraction of commercial bank business loans.

Although not sinking below the low point of October 18, stock prices have shown little inclination to rise. The Dow-Jones average of 70 stock prices closed at 45.07 on November 12 as compared with 41.52 on October 18. Relatively wide fluctuations on light volume characterized the period. Bond prices during the past four weeks have followed a somewhat similar pattern, strengthening somewhat during the last two weeks of October and weakening slightly during the first half of November. The Dow-Jones average of 40 bond prices closed at 93.57 on November 12, which figure compares with 93.15 on October 19.

Evidence accumulates that the severe decline in stock prices which has occurred since August 14 has been caused primarily by the prospect for diminished corporate earnings and dividends. The general business recession which developed in September has now reached substantial proportions and shows little prospect for improvement in the near future. In addition, data governing corporate operations during the third quarter indicate a noticeable trend toward narrowing profit margins as a result of rising labor and raw material costs. The published reports of 265 industrial corporations for the third quarter indicate that 60 per cent had earned higher net profits in 1937 than 1936, whereas 80 per cent had realized better results during the first half of the year. In view of the generally unfavorable business outlook, it seems probable that many corporations will elect to retain a sizable portion of their 1937 earnings, despite the heavy tax on undistributed profits, in an effort to bolster working capital positions. The prospect, therefore, is for a considerable reduction in year-end extra dividend disbursements as compared with last year.

As was pointed out last month, government regulation of stock trading has contributed to the severity of the stock market decline by inducing an abnormal degree of thinness in the market. Of especial effect in this connection has been the relatively high margin requirements imposed April 1, 1936. In an effort to check the decline in stock prices, the Board of Governors of the Federal Reserve System recently established materially lower margin requirements on *long* transactions and for the first time imposed margins on *short* sales. Margins on stock purchases by traders were reduced from 55 per cent to 40 per cent, on brokers loans from banks from 40 per cent to 25 per cent, and a flat margin of 50 per cent was required on short sales. Meanwhile the Securities Exchange Commission has instituted new studies of trading practices with a view to a possible revision of trading rules formerly recommended to the stock exchanges and adopted by them.

A substantial withdrawal of foreign deposit balances from New York has developed during the past eight weeks. Beginning early in July this movement progressed very slowly until about September 1. From the latter date, however, to November 10, approximately $150,000,000 of foreign deposit balances have been withdrawn from the reporting member banks. These withdrawals during recent weeks have had the effect of raising materially the dollar foreign exchange rates. Apparently the currency stabilization funds of Holland and France have attempted to support the exchange rates through purchases of dollars, which, under the tripartite agreement, have been promptly converted into gold. It is indicated that the American stabilization fund has converted at least $150,000,000 in gold on this account from its foreign holdings of earmarked metal. In addition, the Treasury on November 8 released $10,250,000 of gold from its inactive fund for shipment to France, the first such gold export since March 2, 1936.

Various explanations of this comparatively minor flight of capital can be offered. For instance, it is possible that foreign depositors were merely reducing top-heavy deposit balances in New York. Some of the withdrawal unquestionably represents a repatriation of French balances following the recent local elections in France which were generally interpreted as indicating a conservative drift. Much of the movement, however, can be attributed to fear as to the soundness of the dollar. The sharp decline in the level of business activity together with the break in stock prices has led many observers, especially in London, to believe that President Roosevelt will again debase the dollar, cutting the weight to the allowable level of 50 per cent of the 1932 gold content. The failure of the President officially to commit himself on this point has doubtless contributed to the uneasiness.

In this connection, it is of interest to point out that the domestic silver purchase program proclaimed by the President in 1933 will expire by limitation December 21 next. Under this program, the Treasury is now buying newly mined American silver at 77.57 cents per ounce. While the world market price of silver is 45 cents per ounce. It is probable that, within the near future, the President will by proclamation extend the life of this program, perhaps reducing somewhat the subsidy now given to the silver mining industry.

A slight contra-seasonal decline in the business lending of commercial banks may be of some significance. The aggregate commercial and industrial loans of the reporting member banks have declined from $4,871,000,000 on October 13 to $4,761,000,000 on November 3. This relatively slight drop of $110,000,000 is significant in that it constitutes a reversal of a trend which has been under way for many months and in that it has occurred during a period of normal seasonal expansion of commercial lending. Reflecting liquidation on the security markets, loans of the reporting banks to security brokers dropped from $1,178,000,000 on October 6 to $901,000,000 on November 3. Offsetting in part the above declines in earning assets has been a slight increase in commercial bank holdings of government obligations.

The expected seasonal increase in the quantity of currency in circulation has not occurred thus far, the amount of money in circulation remaining at approximately the mid-August level. As a result, excess reserve balances of the member banks remain relatively high, standing at $1,050,000,000 on November 3. Money market interest rates continue to be exceptionally easy, and there appears to be no immediate prospect that the Federal Reserve Banks will engage in their recently promised open market buying campaign.

J. C. DOLLEY.

COTTON BALANCE SHEET

Indicated supplies of cotton in the United States on November 1 were 19,393,000 bales, compared with an indicated supply last year of 14,365,000 bales, November 1, last year, and an all time high on this date of 20,152,000 bales in 1931.

The indicated supply in the United States November 1 was 5,028,000 bales greater than on this date last year; and, incidentally, this represents the greatest increase on records from one November to the next. Supplies of American cotton in and afloat to European ports represented an increase of 256,000 bales over this date last year.

The calculated price based on average supply price relations during the past seven years indicates a price for New Orleans middling 7/8 spot cotton of around 7.00 cents. The actual price is about 7.70 cents. It is interesting to note that the buying power price of cotton in terms of all commodities is now at an all time low for any November and also an all time low. The price in grains of gold which is now about 1.07 grains per pound compares with 1.15 grains—the lowest price during the depression.

ANNOUNCEMENTS

The following organizations will hold meetings in Texas during the next month:

Southwestern Ice Manufacturers' Association, November 29 to December 1, San Antonio.

Southwestern Drug Corporation, December 27–28, Dallas.

Texas Daily Press League, December 27–28, Dallas.

Subscription to the

TEXAS BUSINESS REVIEW

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COTTON BALANCE SHEET FOR THE UNITED STATES AS OF NOVEMBER 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1	Imports to Nov. 1¶	Government Estimate as of Nov. 1§	Total	Consumption to Nov. 1§	Exports to Nov. 1§	Total	Balance Nov. 1
1928–1929	2,536	72	14,133	16,741	1,635	2,303	3,938	12,803
1929–1930	2,313	69	15,009	17,391	1,744	2,203	3,947	13,444
1930–1931	4,530	11	14,438	18,979	1,189	2,273	3,462	15,517
1931–1932	6,369	15	16,903	23,287	1,350	1,783	3,133	20,154
1932–1933	9,682	18	11,947	21,647	1,399	2,194	3,593	18,054
1933–1934	8,176	33	13,100	21,309	1,592	2,445	4,037	17,272
1934–1935	7,746	30	9,634	17,410	1,237	1,322	2,559	14,851
1935–1936	7,138	22	11,141	18,301	1,412	1,440	2,852	15,449
1936–1937	5,397	32	12,400	17,829	1,856	1,613	3,469	14,360
1937–1938	4,498	22	18,243	22,763	1,733	1,637	3,370	19,393

The cotton year begins August 1. ¶In 500-pound bales. §In running bales, counting round bales as half bales.
NOTE: The figures have been revised in accordance with the revisions made by the United States Bureau of the Census.

OCTOBER RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Total Number of Firms Reporting	Percentage Change in Dollar Sales Oct. 1937 from Oct. 1936	Oct. 1937 from Sept. 1937
TOTAL TEXAS	1,107	+ 2.5	+ 3.2
TEXAS STORES GROUPED BY PRODUCING AREAS:			
DISTRICT 1–N	60	+ 9.0	− 1.2
Amarillo	16	+14.5	0.0
Plainview	8	+11.6	+ 7.1
Pampa	12	+ 5.4	− 0.3
All Others	24	− 0.9	− 9.0
DISTRICT 1–S	27	+10.8	+20.1
Big Spring	9	+14.5	+27.3
Lubbock	13	+10.6	+17.1
All Others	5	+ 6.0	+45.8
DISTRICT 2	92	+22.3	+ 9.2
Abilene	16	+15.3	+ 6.5
Snyder	5	+49.6	+44.8
Vernon	5	+ 9.1	+ 7.0
Wichita Falls	13	+28.5	+10.0
All Others	53	+22.7	+ 7.6
DISTRICT 3	40	− 4.4	− 3.0
Breckenridge	5	− 1.6	+10.9
Brownwood	8	−11.1	+24.3
Eastland	7	+12.8	+ 2.9
Stephenville	4	−12.3	−12.6
All Others	16	− 2.7	− 8.5
DISTRICT 4	301	− 4.6	+ 6.3
Cleburne	8	−13.5	+ 8.2
Corsicana	9	+14.0	+22.2
Dallas	54	− 3.9	+ 5.8
Denison	7	− 0.4	+ 3.5
Fort Worth	92	− 3.3	+12.2
Paris	3	− 1.7	−20.0
Sherman	7	+ 3.4	+ 5.6
Taylor	9	− 6.7	− 7.1
Temple	9	−19.7	− 2.7
Waco	26	−10.1	+ 8.3
All Others	77	−10.7	− 4.8
DISTRICT 5	107	+ 8.0	+ 9.8
Bryan	9	+ 3.0	− 3.4
Longview	9	+15.6	+ 9.6
Marshall	12	− 5.3	+ 6.6
Nacogdoches	4	+12.1	− 4.6
Tyler	18	+ 3.1	+ 3.8
All Others	55	+11.5	+17.0
DISTRICT 6	41	+ 0.2	− 1.0
El Paso	30	− 0.3	− 0.9
All Others	11	+ 5.1	− 1.5
DISTRICT 7	56	+ 2.0	− 5.5
Brady	7	− 8.9	− 0.1
San Angelo	21	+ 2.0	− 9.1
All Others	28	+ 4.4	+ 1.2
DISTRICT 8	176	+ 5.6	+ 1.1
Austin	25	+ 5.2	+10.3
Corpus Christi	12	+42.7	− 7.2
Cuero	6	+28.5	+19.1
Lockhart	5	+ 8.0	−25.2
San Antonio	64	+ 5.4	+ 3.7
San Marcos	6	+ 9.6	−24.5
All Others	58	− 3.8	−10.1
DISTRICT 9	151	+ 6.2	− 2.1
Beaumont	21	+ 1.6	+10.6
Galveston	17	0.0	− 1.6
Houston	61	+ 7.0	− 5.5
Port Arthur	17	+ 8.1	+12.6
Victoria	6	+14.1	+25.8
All Others	29	+10.8	− 2.2
DISTRICT 10	56	+20.3	+ 2.4
Brownsville	12	+30.7	+ 6.8
Harlingen	12	+48.2	− 2.7
Laredo	5	− 3.2	+ 4.1
All Others	27	+20.4	+ 1.8

NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, coöperating with the United States Department of Commerce.

RETAIL SALES OF INDEPENDENT STORES IN NEW MEXICO, OKLAHOMA, AND TEXAS

	October 1937				Year-to-date 1937		
	Number of Firms Reporting	Dollar Sales	Percentage Change in Dollar Sales from Oct. 1936	Percentage Change in Dollar Sales from Sept. 1937	Number of Firms Reporting	Dollar Sales	Percentage Change in Dollar Sales from Year-to-Date 1936
TOTAL (New Mexico, Oklahoma, and Texas Combined)	1,514	22,025,737	+ 2.4	+ 2.8	797	140,641,642	+ 6.4
NEW MEXICO	73	740,973	+ 5.9	+ 3.9	41	5,306,424	+11.3
OKLAHOMA	334	3,165,679	+ 1.4	0.0	196	20,043,519	+ 3.0
TEXAS	1,107	18,119,085	+ 2.5	+ 3.2	560	115,291,699	+ 6.8
TEXAS STORES GROUPED BY LINE OF GOODS CARRIED:							
APPAREL	149	3,060,174	− 4.0	+ 1.8	87	17,512,923	+ 9.3
Family Clothing Stores	33	381,616	− 4.5	+19.6	21	1,615,838	+ 2.6
Men's and Boys' Clothing Stores	56	1,076,203	− 3.3	+ 7.6	34	6,208,536	+ 8.7
Shoe Stores	22	180,898	+ 1.7	− 7.1	10	1,054,477	+ 7.8
Women's Specialty Shops	38	1,421,457	− 5.1	− 4.8	22	8,634,072	+11.3
AUTOMOTIVE	141	3,745,478	+15.6	− 0.4	84	28,202,149	+ 1.6
Filling Stations	44	155,087	− 2.9	− 7.3	21	973,378	+ 8.2
Motor Vehicle Dealers	97	3,590,391	+16.5	− 0.1	63	27,228,771	+ 1.3
COUNTRY GENERAL AND FARMERS' SUPPLIES	107	798,889	− 7.8	− 2.9	68	4,570,377	+13.3
DEPARTMENT STORES	66	6,155,508	− 0.2	+ 6.8	45	43,568,232	+ 8.0
DRUG STORES	172	577,330	+ 5.7	− 2.3	104	3,370,379	+ 5.2
FLORISTS	43	48,353	+21.2	+24.1	—	‡	—
FOOD	161	1,134,701	+ 2.8	+ 7.6	87	6,130,690	+ 7.5
Grocery Stores	45	211,151	+ 0.4	+ 5.5	19	1,182,692	+ 8.9
Grocery and Meat Stores	116	923,550	+ 3.4	+ 8.1	68	4,947,998	+ 7.2
FURNITURE AND HOUSEHOLD	59	1,051,218	+ 5.6	+ 6.2	24	4,020,759	+ 4.9
Furniture Stores	47	963,850	+ 5.5	+10.7	16	3,334,005	+ 3.2
Household Appliance Stores	7	70,692	+14.9	−24.7	3	494,818	+16.0
Other Home Furnishings Stores	5	16,676	−17.0	−35.2	5	191,936	+10.7
JEWELRY	56	196,378	+14.2	− 4.1	6	172,157	+13.5
LUMBER, BUILDING, AND HARDWARE	114	1,185,228	− 0.2	+ 1.7	41	6,853,286	+14.5
Farm Implement Dealers	11	105,882	−42.6	−13.9	—	‡	—
Hardware Stores	63	529,228	+12.4	+ 4.1	24	3,447,869	+19.9
Lumber and Building Material Dealers	40	550,118	+ 3.3	+ 3.1	17	3,405,417	+ 9.5
RESTAURANTS	28	114,487	− 4.7	+ 7.3	9	483,075	+ 3.9
ALL OTHER STORES	11	51,341	− 5.7	+ 1.1	5	407,672	− 4.3
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:							
All Stores in Cities of—							
OVER 100,000 POPULATION	301	9,900,726	+ 0.1	+ 3.3	133	67,480,545	+ 6.5
50,000–100,000 POPULATION	106	1,771,371	+ 0.2	+ 7.8	54	10,536,371	+ 9.4
2,500–50,000 POPULATION	474	5,014,137	+ 8.2	+ 2.6	243	29,268,615	+ 6.6
LESS THAN 2,500 POPULATION	226	1,432,851	+ 3.1	− 0.4	130	8,006,168	+ 6.7

‡Not available.

NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, coöperating with the United States Department of Commerce.

TEXAS CHARTERS

	Oct. 1937	Oct. 1936†	Sept. 1937
Domestic Corporations:			
Capitalization‖	$2,077	$6,289	$2,034
Number	97	125	103
Classification of new corporations:			
Banking-Finance	2	11	8
Manufacturing	12	18	17
Merchandising	32	33	27
Oil	20	20	17
Public Service	1	2	2
Real Estate-Building	9	7	7
Transportation	2	4	1
All Others	19	30	24
Number capitalized at less than $5,000	38	46	34
Number capitalized at $100,000 or more	5	5	4
Foreign Corporations (Number)	28	28	31

†Revised.

‖In thousands.

NOTE: Compiled from records of the Secretary of State.

OCTOBER CARLOAD MOVEMENT OF POULTRY AND EGGS

	Cars of Poultry								Cars of Eggs	
	Live				Dressed					
	Chickens		Turkeys		Chickens		Turkeys			
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Shipments from Texas Stations										
TOTAL	1	—	—	—	32	7	11	3	30	32
Intrastate	—	—	—	—	1	3	—	1	9	14
Interstate	1	—	—	—	31	4	11	2	21	18
Receipts at Texas Stations										
TOTAL	—	—	—	—	—	4	1	—	7	40
Intrastate	—	—	—	—	—	4	1	—	1	11
Interstate	—	—	—	—	—	—	—	—	6	29

NOTE: These data are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

OCTOBER CREDIT RATIOS IN TEXAS RETAIL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales		Ratio of Collections to Outstandings		Ratio of Credit Salaries to Credit Sales	
		1937	1936	1937	1936	1937	1936
All Stores	71	65.7	63.9	40.9	41.5	1.0	0.9
Stores Grouped by Cities:							
Abilene	3	59.0	59.3	35.8	33.9	1.3	1.4
Amarillo	3	58.8	58.9	44.5	38.6	1.4	1.5
Austin	6	59.1	58.8	45.8	43.6	0.8	0.9
Dallas	10	71.0	68.1	41.9	42.9	0.9	0.9
Fort Worth	8	64.9	61.9	36.3	37.3	1.0	0.9
Galveston	3	69.9	72.1	44.4	42.2	1.4	1.3
Houston	8	62.1	61.6	43.3	44.3	1.3	1.2
San Antonio	5	65.3	63.6	45.7	45.5	0.7	0.7
Waco	4	63.9	61.9	32.1	32.5	1.0	1.0
All Others	21	59.8	58.6	39.2	40.8	1.1	1.1
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over $500,000)	17	65.0	63.0	41.3	41.4	1.0	0.9
Department Stores (Annual Volume Under $500,000)	14	59.7	58.4	38.9	39.2	1.2	1.3
Dry Goods-Apparel Stores	6	59.2	58.6	36.4	32.2	1.5	1.4
Women's Specialty Shops	13	70.5	69.0	39.9	42.2	0.7	0.7
Mens Clothing Stores	21	67.1	65.5	42.1	43.2	1.4	1.3
Stores Grouped According to Volume of Net Sales During 1936:							
Over $2,500,000	9	67.8	66.1	45.3	43.3	0.8	0.8
$2,500,000 down to $1,000,000	9	60.8	61.4	39.8	42.5	0.9	0.9
$1,000,000 down to $500,000	8	60.4	60.5	44.3	45.2	1.1	1.0
$500,000 down to $100,000	35	60.4	62.5	40.4	40.8	1.2	1.3
Less than $100,000	10	57.9	53.9	44.0	51.2	2.5	2.5

NOTE: The ratios shown for each year, in the order in which they appear from left to right, are obtained by the following computations: (1) Credit sales divided by net sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the credit department divided by credit sales.

The data are reported to the Bureau of Business Research by Texas retail stores.

OCTOBER SHIPMENTS OF LIVESTOCK CONVERTED TO A RAIL-CAR BASIS§

	Cattle		Calves		Hogs		Sheep		Total	
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Total Interstate Plus Fort Worth¶	5,534	3,653	1,945	1,255	501	388	1,037	493	9,017	5,789
Total Intrastate Omitting Fort Worth	1,343	1,385	242	159	34	47	877	638	2,496	2,229
TOTAL SHIPMENTS	6,877	5,038	2,187	1,414	535	435	1,914	1,131	11,513	8,018

TEXAS CAR-LOT§ SHIPMENTS OF LIVESTOCK, JANUARY 1 TO NOVEMBER 1

	Cattle		Calves		Hogs		Sheep		Total	
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Total Interstate Plus Fort Worth¶	50,771	32,856	10,143	6,520	6,391	5,520	10,216	4,099	77,521	48,995
Total Intrastate Omitting Fort Worth	7,816	7,000	1,398	1,195	477	393	2,238	1,151	11,929	9,739
TOTAL SHIPMENTS	58,587	39,856	11,541	7,715	6,868	5,913	12,454	5,250	89,450	58,734

§Rail-car Basis: Cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.

¶Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

NOTE: These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every livestock shipping point in the State. The data are compiled by the Bureau of Business Research.

CONSUMPTION OF ELECTRIC POWER IN TEXAS

	Power Consumed (In Thousands of K.W.H.)			Percentage Change	
	Oct. 1937	Oct. 1936	Sept. 1937	Oct. 1937 from Oct. 1936	Oct. 1937 from Sept. 1937
Commercial	37,002	32,665	43,063	+13.3	−14.1
Industrial	81,163	70,195	84,389	+15.6	− 3.8
Residential	25,566	22,414	27,544	+14.1	− 7.2
All Other	20,058	17,698	27,428	+13.3	−26.9
TOTAL	163,789	142,972	182,424	+14.6	−10.2

NOTE: Prepared from reports from 15 electric power companies to the Bureau of Business Research.

PETROLEUM

Daily Average Production

(In Barrels)

	Oct. 1937	Oct. 1936	Sept. 1937
East Central Texas	110,950	70,600	116,900
East Texas	481,700	439,100	477,400
Gulf Coast¶	208,500	179,700	217,450
North Texas	74,100	65,250	73,850
Panhandle	75,550	61,800	78,950
Southwest Texas	262,950	170,000	269,100
West Central Texas	34,450	33,850	33,550
West Texas	214,900	169,100	223,000
STATE	1,463,100	1,189,400	1,490,200
UNITED STATES	3,599,350	3,058,750	3,656,850
Imports	142,214	165,786	157,893

¶Includes Conroe.
NOTE: From American Petroleum Institute.
See accompanying map showing oil producing districts.

Gasoline sales as indicated by taxes collected by the State Comptroller were: September 1937, 106,537,000 gallons; September 1936, 92,183,000 gallons; August 1936, 107,118,000 gallons.

BUILDING PERMITS

	Oct. 1937	Oct. 1936	Sept. 1937
Abilene	$ 48,607	$ 13,765	$ 53,320
Amarillo	122,370	543,601	222,782
Austin	343,366	221,696	210,467
Beaumont	48,841	106,447	53,686¶
Big Spring	19,760	10,110	26,419
Brownsville	16,215	7,575	9,330
Brownwood	100	1,500	1,400
Cleburne	5,870	2,151	4,030
Corpus Christi	180,195	230,505	228,685
Corsicana	7,720	19,535	3,250
Dallas	859,214	868,353	828,358
Denison	7,550	1,900	3,076
El Paso	383,241	103,450	121,271
Fort Worth	387,161	522,533	288,026
Galveston	90,256	92,039	193,087¶
Graham	9,530	1,450	34,350
Harlingen	22,505	2,120¶	44,372
Houston	1,144,990	2,296,387	1,009,430
Jacksonville	11,570	8,125	5,500
Lubbock	403,500	109,945	169,560
McAllen	34,465	23,100	55,675
Marshall	62,249	31,474	19,430
New Braunfels	7,165	5,690	7,400
Palestine	7,429	13,521	11,401
Pampa	26,200	23,250	25,800
Paris	6,055	6,590	18,270
Plainview	14,750	6,900¶	25,499
Port Arthur	64,837	79,633	52,434
San Angelo	59,161	94,050	10,714
San Antonio	259,472	428,936	225,608
Sherman	24,222	35,137	9,672
Snyder	4,400	2,600	7,900
Tyler	53,669	99,187	69,763
Waco	63,763	60,320	236,313
Wichita Falls	10,287	16,852	35,493
TOTAL	$4,810,785	$6,090,427	$4,321,771

¶Does not include public works.
NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

POSTAL RECEIPTS

	Oct. 1937	Oct. 1936	Sept. 1937
Abilene	$ 18,956	$ 17,683	$ 16,747
Amarillo	31,995	30,791	30,110
Austin	60,519	60,399	51,065
Beaumont	25,660	23,569	25,417
Big Spring	7,492	5,891	5,243
Brownsville	5,296	6,291	4,486
Brownwood	6,314	5,880	5,665
Corpus Christi	23,787	19,713	21,065
Corsicana	5,647	5,785	5,139
Dallas	398,231	430,590	368,511
Del Rio	5,045	4,336	3,804
Denison	5,158	4,900	4,364
El Paso	46,702	43,860	40,689
Fort Worth	152,998	168,708	141,633
Galveston	28,599	26,538	25,242
Graham	2,510	2,447	2,191
Harlingen	5,725	4,787	4,792
Houston	238,077	224,548	223,122
Jacksonville	3,646	3,150	2,885
Longview	11,100	10,877	9,264
Lubbock	17,385	14,924	19,558
McAllen	4,256	3,643	3,445
Marshall	6,465	6,050	5,407
Palestine	5,041	4,576	4,703
Pampa	7,704	7,230	6,044
Paris	6,604	6,388	6,727
Plainview	4,578	3,844	3,996
Port Arthur	12,583	10,493	10,667
San Angelo	11,824	13,127	11,096
San Antonio	118,639	115,703	114,016
Sherman	7,880	8,005	8,071
Snyder	1,453	1,303	1,272
Sweetwater	5,564	4,986	5,974
Tyler	18,769	15,814	14,218
Waco	35,696	35,037	33,849
Wichita Falls	21,417	21,591	20,159
TOTAL	$1,369,315	$1,373,457	$1,260,636

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

COMMODITY PRICES

	Oct. 1937	Oct. 1936	Sept. 1937
WHOLESALE PRICES:			
U. S. Bureau of Labor Statistics (1926 = 100)	85.4	81.5	87.4
The Annalist (1926 = 100)	91.5	84.7†	94.4
FARM PRICES:			
U. S. Department of Agriculture (1910–14 = 100)	112.0	121.0	118.0
U. S. Bureau of Labor Statistics (1926 = 100)	80.4	84.0	85.9
RETAIL PRICES:			
Food (U. S. Bureau of Labor Statistics, 1923–25 = 100)	84.9	82.8	85.8
Department Stores (Fairchild's Publications, Jan. 1931 = 100)	95.7	90.0	96.3

†Revised.

STOCK PRICES

	Oct. 1937	Oct. 1936	Sept. 1937
Standard Indexes of the Securities Markets:			
419 Stocks Combined	91.4	118.7	106.4
347 Industrials	107.4	136.0	126.2
32 Rails	35.4	58.4	42.6
40 Utilities	81.3	109.1	89.2

NOTE: From Standards Statistics Co., Inc.

LUMBER

(In Board Feet)

	Oct. 1937	Oct. 1936	Sept. 1937
Southern Pine Mills:			
Average Weekly Production per Unit	287,760	315,042	296,629
Average Weekly Shipments per Unit	299,979	343,178	303,002
Average Unfilled Orders per Unit, End of Month	510,451	741,829	649,921

NOTE: From Southern Pine Association.

TEXAS COMMERCIAL FAILURES

	Oct. 1937	Oct. 1936†	Sept. 1937†
Number	14	9	6
Liabilities‖	$167	$162	$255
Assets‖	$ 95	$ 64	$ 80
Average Liabilities per Failure‖	$ 12	$ 18	$ 42

†Revised.
‖In thousands.
NOTE: From Dun and Bradstreet, Inc.

BANKING STATISTICS

(In Millions of Dollars)

	Oct. 1937 Dallas District	Oct. 1937 United States	Oct. 1937 Dallas District	Oct. 1937 United States	Sept. 1937 Dallas District	Sept. 1937 United States
DEBITS to individual accounts	1,054*	44,778*	779	35,298	825	33,317
Condition of reporting member banks on—	Nov. 3, 1937		Oct. 28, 1936		Sept. 29, 1937	
ASSETS:						
Loans and investments—total	515	21,654	511	22,517	511	22,026
Loans—total	249	9,625	229	8,721	245	10,004
Commercial, industrial, and agricultural loans:						
On securities	13	590	‡	‡	13	601
Otherwise secured and unsecured	144	4,171	‡	‡	143	4,209
Open market paper	4	477	‡	‡	4	472
Loans to brokers and dealers in securities	3	901	3	1,153	3	1,227
Other loans for purchasing or carrying securities	16	660	‡	‡	15	682
Real estate loans	21	1,169	23	1,143	21	1,165
Loans to banks	1	96	....	53	....	97
Other loans:						
On securities	10	732	‡	‡	10	732
Otherwise secured and unsecured	37	829	‡	‡	36	819
U. S. Government obligations	185	7,968	191	9,274	188	7,903
Obligations fully guaranteed by U. S. Government	30	1,137	41	1,257	28	1,131
Other securities	51	2,924	50	3,265	50	2,988
Reserve with Federal Reserve Banks	115	5,325	101	5,390	114	5,488
Cash in vault	10	318	11	405	11	323
Balances with domestic banks	139	1,744	173	2,371	154	1,737
Other assets—net	29	1,309	29	1,303	29	1,285
LIABILITIES:						
Demand deposits—adjusted	391	14,610	369	15,340	390	14,864
Time deposits	126	5,278	121	5,065	127	5,293
U. S. Government deposits	16	447	41	704	19	644
Inter-bank deposits:						
Domestic banks	186	5,040	209	6,041	194	4,998
Foreign banks	....	476	1	467	1	569
Borrowings	....	13	....	....	....	4
Other liabilities	8	865	6	849	8	876
Capital account	81	3,621	78	3,520	80	3,611

‡Not available.
*Five weeks.
NOTE: From Federal Reserve Board.

OCTOBER EMPLOYMENT AND PAY ROLLS IN TEXAS CLASSIFIED BY CITIES AND EMPLOYMENT GROUPS

Pay Rolls Ending Nearest Fifteenth of Month

	No. of Establishments	Workers: Number Oct. 1937	Workers: Percentage from Oct. 1936	Workers: Change from Sept. 1937	Pay Roll: Dollars Oct. 1937	Pay Roll: Percentage from Oct. 1936	Pay Roll: Change from Sept. 1937	Average Weekly Wage per Worker: Oct. 1937	Oct. 1936	Sept. 1937
Abilene	14	199	+10.6	+ 2.1	$ 4,857	+16.5	+ 3.7			
Amarillo	23	981	+21.1	+ 3.6	27,377	+38.4	+ 0.4			
Austin	20	447	−10.8	− 0.2	9,952	− 3.4	− 2.0			
Beaumont	27	3,267	+ 7.3	+ 0.7	92,280	+34.1	+ 2.7			
Dallas	179	11,421	+ 4.9	+ 0.5	257,120	+ 9.4	+ 1.5			
Denison	9	830	− 9.1	− 4.4	9,313	−16.4	−15.1			
El Paso	70	2,464	+21.1	− 2.2	53,791	+28.7	+ 0.5			
Fort Worth	91	6,567	+15.5	+ 3.8	155,267	+31.7	+ 2.4			
Galveston	20	528	+ 3.1	− 1.3	15,483	+12.0	+ 0.4			
Houston	177	14,207	+15.7	+ 0.7	361,415	+28.8	+ 1.0			
Laredo	9	148	+13.8	+ 5.0	2,051	+ 5.8	+ 4.0			
Port Arthur	8	7,679	+ 6.2	− 2.0	238,340	+22.3	− 0.8			
San Angelo	6	134	+ 7.2	+ 3.1	2,210	+ 8.9	+ 4.5			
San Antonio	131	4,422	+ 2.8	− 1.1	94,348	+ 9.4	− 1.2			
Sherman	14	674	− 3.2	− 3.6	11,569	− 5.0	− 5.9			
Waco	39	1,888	+ 8.5	− 2.4	35,354	+13.2	− 4.0			
Wichita Falls	26	808	+37.9	+14.8	19,479	+47.3	+14.7			
All Other Cities	842	31,886	+ 3.9	− 2.5	872,165	+14.9	− 1.1			
STATE	1,705	88,550	+ 7.5	− 0.7	2,262,371	+18.8	0.0	$25.55	$23.13	$25.37
BUILDING MATERIALS	103	8,667	+ 7.9	− 2.2	182,054	+20.9	− 2.6	21.01	18.75	21.10
Brick, Tile, Terra Cotta	14	535	−27.5	−12.2	6,785	−27.6	−15.9	12.68	12.71	13.24
Cement	8	1,326	+ 4.0	− 3.9	32,042	+24.9	− 2.5	24.16	20.12	23.80
Foundries, Machine Shops	26	2,570	+23.9	− 1.5	70,881	+36.5	+ 0.1	27.58	25.05	27.14
Millwork	18	641	+17.0	− 1.2	12,292	+ 9.1	−11.0	19.18	20.56	21.28
Saw Mills	12	2,753	+ 4.4	− 0.4	40,726	+ 7.1	− 1.7	14.79	14.41	14.98
Structural Iron Works	10	712	+12.7	− 1.0	15,940	+35.3	− 4.4	22.39	18.64	23.20
Other Building Materials	15	130	+ 2.4	− 1.5	3,388	+31.9	+ 1.4	26.06	20.23	25.31
CHEMICALS‖	25	512	+ 9.2	+ 1.2	11,187	+19.8	+ 1.8	21.85	19.91	21.72
CLOTHING AND TEXTILES	36	4,074	+ 3.1	− 2.0	51,289	+ 9.6	− 1.8	12.59	11.84	12.55
Cotton Textile Mills	7	2,153	+19.1	− 2.6	28,777	+35.5	− 4.4	13.37	11.75	13.62
Men's Work Clothing	14	1,339	−15.2	− 0.3	14,240	−21.1	+ 1.2	10.63	11.43	10.48
Women's Clothing	6	127	− 9.3	−10.6	1,431	−12.4	−17.9	11.27	11.67	12.27
Other Textile Products	9	455	+ 6.8	− 1.9	6,841	+16.5	+ 8.8	15.04	13.78	13.55
COTTON OIL MILLS	26	1,404	+27.1	+12.8	22,033	+42.1	+13.7	15.69	14.03	15.56
DISTRIBUTION	523	16,320	+ 8.9	+ 0.3	370,523	+10.9	+ 1.3	22.70	22.29	22.48
Retail Trade	301	10,628	+ 9.3	+ 0.6	220,906	+10.5	+ 1.2	20.97	20.56	20.66
Wholesale Trade	222	5,692	+ 8.1	− 0.4	149,617	+11.6	+ 1.3	26.29	25.47	25.85
FOOD PRODUCTS	104	7,658	+14.6	+ 4.0	173,133	+30.4	+ 1.7	22.61	19.87	23.12
Bakeries	20	709	+ 8.9	+ 1.0	14,740	+10.5	+ 2.7	20.79	20.49	20.45
Beverages	18	554	+33.5	+ 5.5	11,765	+27.5	− 6.2	21.24	22.24	23.90
Flour Mills	8	573	+20.1	+ 6.1	13,047	+21.6	− 1.5	22.77	22.49	24.53
Ice Cream	6	309	+19.8	− 6.9	5,940	+13.5	− 7.1	19.22	20.28	19.26
Meat Packing, Slaughtering	9	3,904	+17.6	+ 5.3	102,302	+43.5	+ 3.0	26.20	21.47	26.80
Other Food Products	43	1,609	+ 2.9	+ 3.3	25,339	+10.3	+ 4.2	15.75	14.70	15.62
FOREST PRODUCTS	29	1,456	+ 5.1	− 2.0	26,538	+ 5.5	− 9.0	18.23	18.17	19.63
Furniture Manufacturing	7	502	− 1.0	− 3.8	9,789	− 0.4	−20.3	19.50	19.39	23.53
Paper Products	11	465	− 0.6	+ 2.2	9,600	+ 7.8	+ 1.6	20.65	19.03	20.78
Other Forest Products	11	489	+19.3	− 3.9	7,149	+11.3	− 3.9	14.62	15.66	14.62
PETROLEUM	57	24,078	+ 6.4	− 1.6	795,126	+22.5	− 1.1	33.02	28.70	32.87
Crude Petroleum Producing	24	5,266	+ 5.2	− 3.6	194,205	+16.3	− 2.1	36.88	33.37	36.30
Petroleum Refining	33	18,812	+ 6.8	− 1.0	600,921	+24.6	− 0.8	31.94	27.37	31.88
PRINTING AND PUBLISHING	53	1,742	+ 6.9	+ 1.5	57,963	+10.1	+ 1.2	33.27	32.30	33.39
Commercial Printing	29	444	+ 6.5	+ 1.8	11,172	+ 7.2	+ 1.0	25.16	25.00	25.37
Engraving	6	40	+ 8.1	− 2.4	1,902	+12.3	− 1.2	47.55	45.78	46.95
Newspaper Publishing	18	1,258	+ 7.1	+ 1.5	44,889	+10.8	+ 1.3	35.68	34.47	35.76
PUBLIC UTILITIES	501	12,372	− 1.0	− 1.9	358,537	+11.1	+ 1.9	28.98	25.81	27.90
Power and Light	443	7,904	+ 9.2	− 1.5	230,402	+19.8	+ 2.4	29.15	26.58	28.03
Steam Railroad Repair Shops	16	2,303	− 5.5	− 2.6	67,333	+ 7.6	+ 0.5	29.24	25.68	28.34
Other Public Utilities	42	2,165	−23.5	− 2.6	60,802	−10.3	+ 1.5	28.08	23.94	26.95
QUARRYING & NON-METALLIC MINING	29	1,386	− 6.4	− 7.8	40,402	+ 9.5	− 1.6	29.15	24.92	27.30
SERVICE	136	5,625	+10.9	− 3.1	99,171	+27.3	− 3.3	17.63	15.36	17.68
Business and Personal Service	32	1,719	+54.2	+ 6.2	41,684	+96.1	+ 0.9	24.25	19.06	25.51
Hotels	22	1,780	− 3.5	− 0.5	23,818	− 1.7	+ 0.8	13.38	13.13	13.21
Ice	57	794	− 6.0	−20.5	15,153	− 2.0	−18.4	19.08	18.29	18.60
Laundries, Dyeing and Cleaning	25	1,332	+ 5.1	− 4.7	18,516	+ 9.2	− 3.0	13.90	13.39	13.66
ALL OTHER INDUSTRIES	83	3,256	+34.4	+ 3.3	74,415	+46.5	+ 5.6	22.85	20.96	22.35

‖Chemical and Allied Industries not elsewhere classified.

NOTE: Prepared from reports from Texas industrial establishments to the Bureau of Business Research, coöperating with the United States Bureau of Labor Statistics.